

**REMARKS**

Claims 1-11, 40, 41, 46, 47, 52-77, 98 and 100-118 are pending in this application and have been rejected. Claims 1, 3, 62, 66, 72 and 77 have been amended (all of these claims now specify that the first and second terminals send and receive messages via the transaction apparatus during synchronizing, and those amended claims remain independent.

**The Rejections Under  
35 U.S.C. § 102**

Claims 1-11, 40, 41, 46, 47, 52-77, 98 and 100-118 have been rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. patent appln. publn. no. 2006/0253340 to Levchin et al. Applicant respectfully traverses this rejection, and submits the following arguments in support thereof.

Claim 1 is directed to a transaction system for transacting through a communication network. This system includes a first terminal that is a vending machine connecting to the communication network and having an information indicating unit, a second terminal that is at least one of a cellular telephone and a PDA and with a unique ID information, an antenna and an input unit, the second terminal being connectable to the first terminal through the communication network with the antenna, and a transaction apparatus communicating with the first and second terminals through the communication network, the transaction apparatus storing the unique ID information of the second terminal in advance, the transaction apparatus setting up and sending a transaction ID information to the first terminal, the transaction apparatus receiving from the second terminal the second terminal's unique ID information together with the transaction ID information, the transaction apparatus performing the transaction by synchronizing communication with the first and second terminals when the unique ID

information received from the second terminal is identical with that previously stored in the transaction apparatus in advance. The first and said second terminals send and receive messages via the transaction apparatus during synchronizing.

According to claim 3, a transaction apparatus for transaction through a communication network with a first terminal that is a vending machine and a second terminal that is at least one of a cellular phone and a PDA and having a unique ID information and an antenna, the second terminal being connectable to the first terminal through the communication network with the antenna, has a user database for storing the unique ID information of the second terminal in advance, a processing unit for setting up a transaction ID information to be indicated on the first terminal, and a first communication unit for connecting to the first terminal via the communication network, the first communication unit sending the transaction ID information to the first terminal. Also, there is a second communication unit for connecting to the second terminal via the communication network and receiving from the second terminal the unique ID information of the second terminal together with the transaction ID information that is transmitted from the first terminal to the second terminal. The processing unit performs the transaction by synchronizing a communication with the first and second terminals when the unique ID information received from the second terminal is identical with that stored in the user database. Also, the first and second terminals send and receive messages via the transaction apparatus during synchronizing.

As recited in claim 62, there is a method of a transaction system including a first terminal that is a vending machine, a second terminal that is at least one of a cellular phone and a PDA, and a transaction apparatus communicating with the first and second terminals through a

communication network, the first terminal having an indicating unit, the second terminal having a unique ID information, an antenna and an input unit, and the second terminal being connectable to the first terminal through the communication network with the antenna. This method includes the steps of storing the second terminal's unique ID information in the transaction apparatus in advance, connecting the first terminal with the transaction apparatus through the communication network, setting up a transaction ID information in the transaction apparatus, and sending the transaction ID information to the first terminal. Other steps of the method include indicating the transaction ID information in the first terminal's indicating unit, inputting the transaction ID information to the second terminal's input unit by transmitting the transaction ID from the first terminal to the second terminal, receiving from the second terminal the second terminals' unique ID information together with the transaction ID information indicated on the first terminal's information indicating unit, and performing the transaction by synchronizing a communication with the first and second terminals when the unique ID information received from the second terminal is identical with that stored in the transaction apparatus. The first and second terminals send and receive messages via the transaction apparatus during synchronizing.

As for claim 66, a recording medium is described that stores a program for a computer for a transaction system including a first terminal that is a vending machine, a second terminal that is at least one of a cellular phone and a PDA, and a transaction apparatus communicating with the first and second terminal through a communication network, the first terminal having an indicating unit, the second terminal having a unique ID information, an antenna and an input unit, and the second terminal being connectable to the first terminal through the communication network with the antenna. The recording medium has a storing

module which stores the second terminal's unique ID information in the transaction apparatus, a connecting module which connects the first terminal with the transaction apparatus through the communication network, a setting up module which sets up a transaction ID information in the transaction apparatus, a sending module which sends the transaction ID information to the first terminal, an indicating module for indicating the transaction ID information in the first terminal's indicating unit, an inputting module which inputs the transaction ID information transmitted by the indicating unit to the second terminal's input unit, and a receiving module which receives from the second terminal the second terminal's unique ID information together with the transaction ID information indicated on the first terminals' information indicating unit. Also, a performing module performs the transaction by synchronizing a communication with the first and second terminals when the unique ID information received from the second terminal is identical with that stored in the transaction apparatus. The first and second terminals send and receive messages via the transaction apparatus during synchronizing.

In claim 72, there is recited a method of a transaction apparatus for transacting through a communication network with a first terminal that is a vending machine having an information indicating unit and a second terminal that is at least one of a cellular phone and a PDA and having unique ID information and an antenna, the second terminal being connectable to the first terminal through the communication network with the antenna. This method involves storing in advance the second terminal's unique ID information, connecting to the first terminal via the communication network, setting up a transaction ID information to be indicated on the first terminal, connecting to the second terminal via the communication network, and receiving from the second terminal the second terminal's unique ID information together with the

transaction ID information transmitted by the first terminal and inputted through the second terminal at the same site as the first terminal. Another step is performing the transaction by synchronizing a communication with the first and second terminals when the unique ID information received from the second terminal is identical with that stored in advance in the user database. The first and second terminals send and receive messages via the transaction apparatus during synchronizing.

As for claim 77, that claim describes a recording medium which stores a program for a computer for a transaction apparatus for transacting through a communication network with a first terminal that is a vending machine having an information indicating unit and a second terminal that is at least one of a cellular phone and a PDA and having unique ID information and an antenna, the second terminal being connectable to the first terminal through the communication network with the antenna. In this medium there is a storing module which stores in advance the second terminal's unique ID information, a setting up module which sets up a transaction ID information to be indicated on the first terminal, a first connecting module which connects to the first terminal via the communication network, and a second connecting module which connects to the second terminal via the communication network. Also found are a receiving module which receives from the second terminal the second terminal's unique ID information together with the transaction ID information transmitted by the first terminal and inputted through the second terminal, and a performing module which performs the transaction by synchronizing a communication with the first and second terminals when the unique ID information received from the second terminal is identical with that stored in the user database.

The first and second terminals send and receive messages via the transaction apparatus during synchronizing.

Applicants respectfully submit that Levchin does not disclose or suggest at least the aspects of the claimed invention which involve using the transaction ID for synchronization. By virtue of this feature, the claimed invention improves the security of communications between the first and second terminals, since a user always keeps possession of their cellular phone or PDA and "ID-theft" over a cellular phone communication line is very difficult typically.

None of the portions cited in the Office Action suggest this aspect of the claimed invention. Rather, in Levchin, as understood, to achieve security user access to the system is restricted with account names and passwords (para. [0031]), and communications from the user to the synchronization server and other parts of the system are encrypted with digital certificates (para. [0036] and [0039]). Nowhere in Levchin is there communication in the manner of the claimed invention, wherein, as in claim 1, the transaction apparatus sends a transaction ID to the first terminal (i.e. user's phone or PDA), and then waits to receive from the vending machine (second terminal) both the vending' machine's unique ID information and also the transaction ID information, the transaction apparatus performing the transaction by synchronizing communication with the user's phone/PDS and the vending machine when the unique ID information received from the vending machine is identical to that stored in the transaction apparatus previously. Also, the first and second terminals send and receive messages via the transaction apparatus during synchronizing.

In other words, in this invention, the user's phone/PDA can be sent the transaction ID, which is then given by the user to the vending machine, to establish that all are participating in the same transaction. When all the necessary conditions are met, the transaction is performed by synchronization. In this regard, it will be appreciated that Levchin uses synchronization only to refer to updating information such as account information and charge information between two servers (para [0033]), which is different from and not suggestive of the claimed invention.

The Office Action only discussed claim 1 in detail. Rather than apply the prior art to the other pending independent claims, the Office Action asserted that claims 2-11, 40, 41, 46, 47, 52-77, 98 and 100-118 are not substantially different than the limitations of claim 1, and that they do not further limit the scope of the invention. Applicant respectfully disagrees.

The Office Action is in error because it overlooks the independence and different natures of the various independent claims. Whereas claim 1 is directed to a transaction system, claim 3 is directed to a transaction apparatus, claims 62, 66 and 77 to a recording medium storing a program for a computer in a transaction system, and claim 72 to a method for a transaction apparatus. Consequently, it will be appreciated that whereas claim 1, a transaction system claim, is directed to the structure which makes up that system, claims 62, 66 and 77 are method claims, and so are drawn to the steps involved with the claimed method. Similar differences of scope also arise with regard to the other claims. Thus, the Office Action's assertion that the claims other than claim 1 do not further limit the scope of the invention is not well-taken.

For all the foregoing reasons, favorable reconsideration and withdrawal of this rejection are respectfully requested.

Claims 1-11, 40, 41, 46, 47, 52-77, 98 and 100-118 have been rejected under 35 U.S.C. § 102(e) as being anticipated by either U.S. patent appln. no. 60/131,785 to Levchin et al. or U.S. patent appln. no. 60/144,633 to Levchin et al. Applicant respectfully traverses these two rejections, and submits the following arguments in support thereof.

These rejections are in error and must be withdrawn because they are based upon provisional applications, which themselves cannot be prior art under 35 U.S.C. § 102(e); § 102(e) prior art is limited to patents and published applications (by law, provisional applications are never published or issued).<sup>1</sup>

Since a provisional application is never published or issued, it cannot serve as a reference under 35 U.S.C. § 102(e). The M.P.E.P. recognizes this, wherein it states in Section 2127(I) that a rejection under §102(e) cannot be based upon an abandoned provisional application. The rejection must always be based upon the patent or published applications; the provisional application's teachings only would appear in the prior art if such teachings are appropriately disclosed in the cited patent or published application that incorporates the disclosure of the provisional:

An abandoned patent application may become evidence of prior art **only when it has been appropriately disclosed**, as, for example, when the abandoned patent [application] is reference[d] in the disclosure of another patent, in a publication, or by voluntary disclosure under [former Defensive Publication rule] 37 CFR 1.139." *Lee Pharmaceutical v. Kreps*, 577 F.2d 610, 613, 198 USPQ 601, 605 (9th Cir. 1978). An abandoned patent application becomes available as prior art only as of the date the public gains access to it. See 37 CFR 1.14(a)(1)(ii) and (iv). However, the subject matter of an abandoned application, including both provisional and

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<sup>1</sup> 35 U.S.C. § 102(e) provides in part (emphasis added):

(e) the invention was described in - (1) **an application for patent, published under section 122(b)**, by another filed in the United States before the invention by the applicant for patent or (2) **a patent granted** on an application for patent by another filed in the United States before the invention by the applicant for patent. . . .



nonprovisional applications, referred to in a prior art U.S. patent may be relied on in a 35 U.S.C. 102(e) rejection **based on that patent if the disclosure of the abandoned application is actually included or incorporated by reference in the patent.** . . .

Note also that M.P.E.P. 2136.03(III) states the published application or patent only will be entitled to the priority date of the provisional application if the provisional application discloses the claimed invention in the manner required by 35 U.S.C. § 112, first paragraph:

The 35 U.S.C. 102(e) critical reference date of a U.S. patent or U.S. application publications and certain international application publications entitled to the benefit of the filing date of a provisional application under 35 U.S.C. 119(e) is the filing date of the provisional application with certain exceptions **if the provisional application(s) properly supports the subject matter relied upon to make the rejection in compliance with 35 U.S.C. 112, first paragraph.** See MPEP § 706.02(f)(1), examples 5 to 9. Note that international applications which (1) were filed prior to November 29, 2000, or (2) did not designate the U.S., or (3) were not published in English under PCT Article 21(2) by WIPO, may not be used to reach back (bridge) to an earlier filing date through a priority or benefit claim for prior art purposes under 35 U.S.C. 102(e).

In summary, these rejections are not well taken because neither of the cited provisional applications themselves are available as prior art.

To the extent the teachings of the cited provisional applications may be present in the cited Levchin published application, Applicant, in the previous section of this paper, already has addressed and distinguished that reference. No further response is deemed to be necessary.

Favorable reconsideration and withdrawal of these rejections is respectfully requested.

**CONCLUSION**

Applicant respectfully submits that all outstanding rejections have been addressed and are now overcome. Applicant further submits that all claims pending in this application are patentable over the prior art.

Other than the extension and filing fees respectively authorized in the accompanying Petition for Extension of Time and Request for Continued Examination forms, no fees are believed to be due in connection with the filing of this paper. Nevertheless, should the Commissioner deem any other fee(s) to be now or hereafter due in connection with this application, authority is given to charge all such fees to Deposit Account No. 19-4709.

In the event that there are any questions, or should additional information be required, please contact Applicant's attorney at the number listed below.

Respectfully submitted,

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